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This is the second of three cables reporting on CODEL Berman's July 1-6, 2008 visit to South Africa. This cable is Sensitive but Unclassified. Not for Internet distribution.

- 11. (SBU) SUMMARY: On July 3, 2008, DepForMin Aziz Pahad thanked CODEL Berman for visiting South Africa and expressed appreciation for congressional funding to combat HIV/AIDS and support for legislation removing anti-apartheid activists from the U.S. terrorist list. During a lively and at times pointed exchange on Zimbabwe, Pahad strongly defended South Africa's policy and urged the CODEL to support the African Union's call for a government of national unity, which Pahad claimed is "the only way out of the Zimbabwe crisis." Africa is focused on facilitating dialogue between ZANU-PF and the MDC and believes calls for new mediators and expansion of smart sanctions are not helpful. On South Africa's domestic front, Pahad suggested that the recent shift in ANC leadership was "healthy," although he admitted that in his view the sweeping changes in the party were "too soon." The South African Government (SAG) was doing its best to confront the country's challenges, many of which were inherited from the previous regime. END SUMMARY.
- 12. (U) CODEL Berman, accompanied by Ambassador, EconCounselor, and PolOff (notetaker), met with DepForMin Aziz Pahad on July 3 at the Union Building. DFA DepDG for the Americas and Europe Gert Grobler and Americas Director Fadl Nacerodien joined Pahad. Pahad warmly welcomed the CODEL to South Africa, and thanked the CODEL for their support for U.S. funding for HIV/AIDS in Africa and the recently-passed legislation that removed the "terrorist" designation from ANC and other anti-apartheid activists.

National Unity "Only Solution" for Zimbabwe

13. (SBU) On Zimbabwe, Pahad strongly defended President Mbeki's diplomatic approach. The recent AU resolution on Zimbabwe, calling for a government of national unity, should serve as a "guideline" for the international community, Pahad argued. "No one party can solve Zimbabwe's crisis," Pahad argued. "No one party can solve Zimbabwe's crisis," Pargued, "the challenges are too deep." To promote the national unity government -- which Pahad claimed is "the only way forward" -- South Africa is trying to get ZANU-PF and the MDC to start meeting. Despite the MDC's public preconditions on talks, Pahad believed that both parties will negotiate

through the South African facilitation; "they have no option but serious dialogue."

- 14. (SBU) Pressed by several congressman on the failure of South Africa's "quiet diplomacy" policy, Pahad pled for "a few months to solve the problem." He stressed that the SAG is deeply concerned about the "urgent" situation, but is focused on negotiations to avoid the "Kenya situation." Zimbabwe is not an "academic exercise for us," he noted, adding that the region "cannot escape the negative backlash should a civil war erupt." "Don't underestimate the level of concern," Pahad stressed, admitting that the economic situation has become "ridiculous" and a "disaster."
- 15. (SBU) Pahad dismissed calls for a new Zimbabwe mediator, Q5. (SBU) Pahad dismissed calls for a new Zimbabwe mediator, suggesting that such a person would "have to start over" and would waste "limited time." He also suggested the Mutumbara faction must be part of any transition. On sanctions, Pahad argued that "smart sanctions" are just an "illusion" and will achieve nothing. The business community has "already imposed its economic sanctions" on Zimbabwe.

ANC Leadership Changes Healthy; Confronting Challenges

16. (SBU) On South Africa's political evolution, Pahad explained to the CODEL that the ruling African National Congress (ANC) had recently gone through a major transition, with most of the senior SAG leadership, including Pahad himself, "peacefully removed" from the party leadership at the December 2007 Polokwane conference. Pahad mused that after 15 years "perhaps it is time for change." In the long-run, Pahad argued that the transition will be "healthy"

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for the party and the country, if "managed properly" -- adding, with a tinge of regret, that he personally believed it was "too soon" for a major shift in leadership. He suggested that the party will unify before the April/May 2009 elections and work for a common "manifesto."

- 17. (SBU) While South Africa has made significant progress since the democratic transition in 1994, Pahad noted that the country faces many serious challenges. South Africa inherited many deep-seated and complex problems, which will take decades to solve. In addition, the press tends to exaggerate the negative, Pahad noted, without recognizing the SAG's achievements, such as the millions of new houses, free water and electricity, and expansion of 13 million social grants, including to orphaned children up to the age of 16. Commenting on current developments, Pahad observed that:
- -- South Africa's electricity crisis, brought about by larger-than-expected growth and the provision of free electricity to poor South Africans, was badly handled, although the situation has improved in recent months;
- -- the SAG does not expect to reach the IMF-projected growth rate of five percent for this year;
- -- the SAG is tackling unemployment through greater emphasis on basic and vocational skills (making the "unemployable" employable); and
- -- President Mbeki was committed to tackling the recent xenophobic attacks ("which shocked us all"), as evidenced by his public remarks at a July 3 memorial service for the victims.

Africa Major Focus for Foreign Policy

prosperity and democracy without "dealing with Africa."
Repeating President Mbeki's mantra, Pahad noted that South
Africa cannot be an "island of prosperity in a sea of
poverty." To promote Africa's development, South Africa is
contributing significant troops to peace operations (the
fourth largest troop contributor in the world); is focusing
on post-conflict reconstruction in countries like Burundi,
DRC and Rwanda; is trying to improve governance in Africa
through the Africa Peer Review Mechanism and other fora; and
is promoting trade liberalization at the WTO. Africa needs
the support of the international community to meet the
Millennium Development Goals, a point President Mbeki will
press at the G-8 summit.
BOST